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DDS&T-5337-66

14 NOV 1966

MEMORANDUM FOR: Chief, Audit Staff

SUBJECT : Report of Audit of Directorate for Science and Technology for period 1 April 1965 through 30 April 1966

REFERENCES : A. Rpt of Audit of DDS&T for pd 1 Apr 65 thru 30 Apr 66

B. Memo to Dir/Fin fr SO/DDS&T dtd 30 Aug 65

1. In accordance with para. 4. d of reference A the DDS&T MAP Officer has contacted each Office with active continuing advance accounts (Account 144.3) and received confirmation that each individual has verified the amount of his advance and will acknowledge accountability in future accountings as recommended in your report.

2. In regard to para. 4. e of Reference A, we realize that it is the basic responsibility of each Office to review and report on the validity of all unliquidated obligations, however, we feel that the administration of unliquidated obligations for external contracts also involves responsibilities of other offices. Reference B (copy attached) to the Director of Finance clearly points out our concern for this problem as early as August 1965. Under present procedures there appears to be redundancy among three offices in the record keeping involved — specifically the Office of Logistics, Office of Finance, and DDS&T; both the Office of Logistics and the Office of Finance are directly concerned in the actual payment of invoices rendered by contractors. The Office of Logistics has responsibility for final settlement of the contract; the Office of Finance knows when the last invoice based upon final settlement is processed (this is the action that should finally liquidate the obligation). The personnel in DDS&T Offices responsible for fiscal records serve a passive role in the entire payment cycle and are entirely dependent upon notification from the Office of Logistics and/or the Office of Finance as to when the final liquidation occurs.

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Until there is some modification of present procedures, the DDS&T will make every effort to police and periodically validate unliquidated obligations.

3. As requested in para. 4. f of Reference A, a sole source justification has been furnished to the Office of Logistics for the contract with the [redacted] 25X1A

(Signed) [redacted] 25X1A

for CARL E. DUCKETT
Acting Deputy Director
for
Science and Technology

Attachment
a/s

cc: Ch/R&D Procurement Div, O/L

Distribution:
1 cy - EO/DDS&T
1 cy - PMS/DDS&T
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25X1A
O/DDS&T/[redacted]/mez/6889 (8Nov66)

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